

examine theories that address the following questions: How are differences among groups created and why? Why are people that are different from the “mainstream” more likely to be excluded from positions of power and influence in work organizations?

Over the years of research and scholarly investigation, several theories have been generated that explain the nature of intergroup relations. This chapter begins with an examination of the concept of the inclusion-exclusion continuum and its relevance to today’s diverse workforce. It explores research on organizational demography that points to the connection between diversity and exclusion and explores several social psychological theories on diversity and intergroup relations. The chapter elaborates on social identity theory, concluding with its implications for explaining diversity and exclusion in a global context.

### **Diversity and Exclusion: A Critical Workforce Problem**

“Diversity makes business sense.”

“People are our most precious commodity.”

“We are gender and color blind.”

“We do not discriminate, we incorporate.”

These were some of the poster slogans that greeted me as I walked into the lobby of a large international high-tech company headquartered in southern California. I was there at the invitation of the CEO to evaluate the company’s diversity policies. As a first step, I interviewed employees, both men and women, from different levels in the organization and of various backgrounds. Personal disclosures by interviewees underscored the company’s challenge of moving beyond its uplifting slogans to create a culture that is truly inclusive. Most White men expressed the belief that the company was “blind to ethnic and gender differences,” and therefore fair in its practices. Women and members of racial/ethnic minority groups, however, reported different experiences: They primarily talked about lost job opportunities and missed promotions. The word most often used by interviewees was *exclusion*. They felt left out of social and informational networks and barred from the organization’s decision-making process. One middle-aged minority manager, recalling the difficulty in rising to her current position, told me that her promotion was initially blocked because her supervisor expressed the belief that she “did not possess the communication skills needed for a managerial job” because she came from a different culture. “That was nonsense,” she said. “I am very good at what

I do, but I am a woman in a man's job. I am short, my skin is dark, and I have a funny accent. The fact was that I just didn't fit in—and management's solution was to exclude me.”

One of the most significant problems facing today's diverse workforce is that of exclusion, both the reality experienced by many and the perception of even greater numbers of employees that they are *not* viewed by top management as an integral part of the organization (Fernandez, 1991; Greenhaus, Parasuraman, & Wormly, 1990; Ibarra, 1993; Irons & Moore, 1985; Kanter, 1992; Lincoln & Miller, 1979; Lipman-Blumen, 1980; Morrison & Von Glinow, 1990). The inclusion-exclusion continuum<sup>1</sup> is central to the discussion in this chapter and is defined below:

The concept of *inclusion-exclusion* in the workplace refers to the individual's sense of being a part of the organizational system in both the formal processes, such as access to information and decision-making channels, and the informal processes, such as “water cooler” and lunch meetings where information and decisions informally take place (Mor Barak, 2000b).

The distinction between inclusion-exclusion and organizational involvement is that the latter's focus is on organizational activities that foster the development of policies and procedures aimed at creating an environment where individuals have better access to company knowledge and information channels (Lawler, 1992). The concept of inclusion-exclusion, by contrast, is an indicator of the way employees experience and perceive their position in the organization relative to its “mainstream.” Sometimes the experience of exclusion is blatant, such as when a Suriname-born Dutch project manager was not invited to a meeting of other project managers and was later told by his boss simply, “I didn't think you needed to be there.” But more often, it is subtle and unintentional. A woman who served as a CFO of a large health care company (and the only woman among the company's top management) once told me that during breaks in the company's top-management team meetings, the guys would continue the discussions on the way to, and while in, the washroom. When she finally protested on being excluded from these discussions, her colleagues belittled her concerns saying there was no need to make a fuss over such a trivial matter.

Though diversity distinction categories vary from one culture or country to the next, the common factor that seems to transcend national boundaries is the experience of exclusion, particularly in the workplace. Individuals and groups are implicitly or explicitly excluded from job opportunities, information networks, team membership, human resource investments, and the